

## Message Text

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ACTION EUR-12

INFO OCT-01 AF-08 ARA-06 EA-07 NEA-10 ISO-00 EURE-00 SSO-00

NSCE-00 USIE-00 INRE-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 IO-13 NSAE-00 OPIC-03 SP-02

TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 OIC-02 ERDA-05

DODE-00 FEAE-00 FPC-01 H-02 INT-05 L-03 NSC-05 PM-04

SAM-01 OES-06 SS-15 STR-04 ACDA-07 /152 W

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O R 131514Z JUL 76 H/W WITH ZDK MESSAGE SENT WITH WORNG MCN'S

FM USMISSION OECD PARIS

TO SECSTATE WASHDC IMMEDIATE 2864WOWO

INFO ALL OECD CAPITALS 0369

AMEMBASSY ALGIERS

AMEMBASSY JIDDA

AMEMBASSY BUENOS AIRES

AMEMBASSY BRASILIA

AMEMBASSY YAOUNDE

AMEMBASSY NEW DELHI

AMEMBASSY JAKARTA

USINT BAGHDAD

AMEMBASSY TEHRAN

AMEMBASSY KINGSTON

AMEMBASSY MEXICO CITY

AMEMBASSY LAGOS

AMEMBASSY ISLAMABAD

AMEMBASSY LIMA

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY BELGRADE

AMEMBASSY LUSAKA

AMEMBASSY KINSHASA

USMISSION USUN

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E.O.11652: N/A

TAGS: OECD, CIEC, EGEN, ETRD, EFIN, EAID, ENRG

SUBJ: CIEC: JULY COMMISSIONS -- FIRST DAY

1. SUMMARY - OPENING DAY OF CIEC JULY ROUND OF COMMISSION MEETINGS WAS DEVOTED TO INITIAL CONSIDERATION OF RANGE OF WORK-PROGRAMS FOR CIEC'S SECOND PHASE. G-8 MEMBERS PROVIDED EITHER WRITTEN ALTERNATIVES OR ORAL REACTIONS TO FORMULATIONS OF G-19 LIST (BEING SENT SEPTEMBER) TABLED AT LAST WEEK'S SENIOR OFFICIALS MEETING, WITH G-19 MEMBERS BY-AND-LARGE DIGESTING THESE REACTIONS. CERTAIN PROCEDURAL QUESTIONS WERE ALSO BROACHED (E.G. WHY IN WHICH DEVELOPMENT AND FINANCE COMMISSIONS WILL WORK ON DEBT ISSUE). ATMOSPHERE WAS BUSINESSLIKE, AS COMMISSIONS TOOK UP MANDATE FROM SENIOR OFFICIALS TO COMPLETE WORK PROGRAMS THIS WEEK. END SUMMARY.

2. IN ENERGY COMMISSION, U.S. CO-CHAIRMAN (BOSWORTH) MADE THREE BASIC SUGGESTIONS: (A) A SIMULTANEOUS APPROACH UNDER WHICH ALL IMPORTANT ISSUES COULD BE DISCUSSED AT EACH MONTH'S MEETING IF NECESSARY (AS OPPOSED TO TIGHT SEQUENTIAL APPROACH ADVOCATED IN G-19 WORK PROGRAM); (B) AGREEMENT THAT SUMMARY BE PREPARED AT CONCLUSION OF EACH MEETING REFLECTING A COMMON ASSESSMENT OF WHERE COMMISSION STOOD AS BASIS FOR FURTHER COMMISSION WORK AT SUBSEQUENT MEETINGS; AND (C) A WORK PROGRAM COVERING TWO GENERAL AREAS, - (1) GLOBAL COOPERATION (TRANSITION FROM WORLD ECONOMY HEAVILY DEPENDENT ON OIL TO WORLD ECONOMY BASED ON OTHER SOURCES OF ENERGY), AND (2) SPECIAL AREAS OF COOPERATION, I.E. CURRENT PROBLEMS OF EDCS AND PROBLEMS OF OIL PRODUCERS IN POST OIL ERA. EC AND SWISS DELEGATIONS SUPPORTED BOSWORTH ON SUBSTANCE, THOUGH HAD SOME ALTERNATIVE IDEAS ON PRESENTATIONS. G-19 STRONGLY SUPPORTED NOTION OF AGREED SUMMARIES AT END OF EACH SESSION BUT EXPRESSED RELUCTANCE TO TREAT ISSUES SIMULTANEOUSLY. SEVERAL G-19 DELEGATIONS CONTENDED THAT ESTABLISHING AN ISSUE BY ISSUE TIMETABLE WAS BEST WAY TO ENSURE THAT PROGRESS IN DIFFERENT

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COMMISSIONS DID NOT GET OUT OF PHASE. ON TUESDAY, COMMISSION WILL CONTINUE DISCUSSION ON WORK PROGRAM, AT WHICH TIME G-8 WILL TABLE ALTERNATIVE WORK PROGRAM IN WRITING.

3. FIRST DAY OF RAW MATERIALS COMMISSION WAS DEVOTED MAINLY TO G-8 COMMENTS ON G-19'S PROPOSED

WORK PROGRAM FOR 2ND HALF OF YEAR. US, JAPAN, AND EC ARGUED THAT WORK PROGRAM SHOULD BE PHRASED IN NEUTRAL TERMS AND COVER ITEMS OF INTEREST TO ALL PARTIES. G-19 LIST IN CONTRAST OMITTED SUBJECTS OF INVESTMENT AND SUPPLY ACCESS AND PREFACED EACH INCLUDED ITEM WITH PHRASING WHICH PREJUDGED OUTCOME OF DISCUSSIONS. A NUMBER OF G-19 DELS INTERVENED, ADMITTING THAT LIST DID NOT COVER ALL QUESTIONS AND COULD THEREFORE BE EXPANDED. AT THE SAME TIME, THEY ARGUED THAT ACTION-ORIENTED PREFACES TO ITEMS WERE APPROPRIATE TO SECOND PHASE OF DIALOGUE, AND THAT THESE WERE REALLY NO MORE THAN WHAT HAD BEEN AGREED TO AT NAIROBI AND DID NOT PREJUDGE CONCRETE ACTIONS THAT WOULD BE AGREED UPON. DESPITE THIS STRONG ATTACHMENT TO NON-NEUTRAL FORMULATIONS, G-19 URGED G-8 TO COME FORWARD WITH ALTERNATIVE LIST AND EXPRESSED DETERMINATION TO REACH AGREEMENT ON WORK PROGRAM BY END OF JULY 13. IN CAUCUS AFTER JULY 12 MEETING, G-8 AGREED TO TRY TO COME UP WITH ITS OWN PROPOSAL FOR WORK PROGRAM AND

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O R 131529Z JUL 76 H/W ZDK MESSAGE SENT WITH WRONG MCN'S  
FM USMISSION OECD PARIS  
TO SECSTATE WASHDC IMMEDIATE 2865  
INFO ALL OECD CAPITALS 0370  
AMEMBASSY ALGIERS

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COMMISSIONED OECD SECRETARIAT TO DEVELOP NEUTRAL AND COMPREHENSIVE LIST, BY FOLLOWING DAY. INFORMAL CONTACTS WITH G-19 DELS INDICATE THAT AFTER AGREEMENT ON TOPICS FOR WORK PROGRAM, THEY WISH TO SPEND SOME TIME ON DETAILS OF IMPLEMENTATION (SCHEDULING DURING 3 FALL SESSIONS, ETC.) BUT DO NOT INTEND TO GET INTO SUBSTANCE IN JULY.

4. AFTER INITIAL REMARK BY TWO CO-CHAIRMEN NOTING IMPORTANCE OF SENIOR OFFICIALS' MEETING WHICH MARKED TURNING POINT INTO "ACTION" PHASE OF CIEC, DEVELOPMENT COMMISSION BEGAN DISCUSSION OF WORK PROGRAM. ASIDE FROM PERFUNCTORY REMARK ON IMPORTANCE OF ODA BY INDIA, HOWEVER, G-19 DELS HAVE YET TO CONTRIBUTE TO DEBATE. PROPOSED G-19 WORK PROGRAM IS WIDE-RANGING WHEREAS G-8 WOULD LIKE TO REDUCE NUMBER OF ISSUES TACKLED DURING SECOND HALF OF YEAR. G-8 DELS GAVE FULL RUNDOWN OF THEIR VIEWS ON DRAFT WORK PROGRAMS SUBMITTED BY G-19, U.S., AND CANADA. G-8 PLANS TO WAIT FOR G-19 COMMENTS BEFORE PROCEEDING TO POINT-BY-POINT NEGOTIATION OF WORK PROGRAM.

5. A NUMBER OF WORK PROGRAM ISSUES WERE DISCUSSED IN G-8 DEVELOPMENT COMMISSION CAUCUS WITHOUT BENEFIT OF KNOWING G-19 REACTIONS TO INITIAL G-8 PRESENTATIONS. AMONG OTHER THINGS, IT

WAS DECIDED TO ARGUE (A) FOR SEPARATE SUBMISSION ON INVESTMENT UNDER INDUSTRIAL AND TECHNOLOGICAL COOPERATION TOPIC, (B) FOR LIMITING DISCUSSION OF TRADE TO MARKET ACCESS ISSUES UNDER INDUSTRIAL COOPERATION RATHER THAN SETTING UP SEPARATE ITEM ON TRADE AS G-19 PROPOSES, AND (C) AGAINST INCLUSION OF SUBITEM ON SDR-LINK IN WORK PROGRAM. CO-CHAIRMAN WELLENSTEIN, EC AND SWEDEN ARE RESISTING U.S. ATTEMPT TO INSERT ITEM ON PRIVATE FLOWS UNDER TRANSFER OF RESOURCES TOPIC. U.S. DEL WILL CONTINUE TO ARGUE FOR SOME FORMULA UNDER WHICH WE CAN KEEP DISCUSSION FROM BEING ENTIRELY CONCENTRATED AN ODA.

6. FIRST DAY SESSION OF FINANCE COMMISSION  
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CONDUCTED IN EFFICIENT MANNER UNDER NEW CO-CHAIRMAN (SPIERENBURG). DISCUSSION CENTERED ON: (A) AGENDA FOR AREAS OF CONCENTRATION FOR FC DURING REMAINING SESSIONS OF CIEC; (B) TIMETABLE FOR TAKING UP AGREED AGENDA ITEMS; AND (C) QUESTION OF COORDINATION WITH DEVELOPMENT COMMISSION (DC) ON SUBJECT OF INDEBTEDNESS. WITH REGARD TO (A) THERE WAS GENERAL AGREEMENT, WITH SOME PRESENTATIONAL CHANGES, ON THE G-19 PROPOSED AREAS OF CONCENTRATION FOR FC, WITH EXCEPTION OF ITEM III, MONETARY ASPECTS OF FINANCIAL ISSUES. US DEL CONTINUED TO EXPRESS HIS STRONG RESERVATION ON THIS ITEM, GIVEN IMPORTANCE OF RESPECT FOR JURISDICTION AND COMPETENCE OF IMF IN THIS FIELD AND RECENT APPROVAL OF IMF AMENDMENTS (WHICH IN PROCESS OF BEING RATIFIED). MATTER WILL BE DISCUSSED FURTHER AT JULY L3 G-8 AND FC. AS TO (B) AND (C), ONLY PRELIMINARY EXCHANGE OF VIEWS OCCURRED. G-19 SUGGESTED THAT A SPECIFIC TIMETABLE BE WORKED OUT WITH EACH SUBJECT DISCUSSED AT NO MORE THAN TWO FC SESSIONS. EC NOTED SUCH PROCEDURE MIGHT DETRACT FROM POSSIBILITY ACHIEVING COMPREHENSIVE AND EQUITABLE RESULT. YEGANEH REQUESTED FROM G-8 PAPER DESCRIBING THE DISTINCTION MADE BY US, EC AND OTHERS BETWEEN TWO TYPES OF DEBT SITUATION (ACUTE DEBT CRISIS VS. OTHER) TO HELP COORDINATION WITH DC ON SUBJECT OF INDEBTEDNESS. PAKISTAN SUGGESTED JOINT WORKING GROUP SET UP BY THE TWO COMMISSIONS. SPIERENBURG THREW COLD WATER ON THIS IDEA, STATING IT WOULD BE TANTAMOUNT TO CREATING "FIFTH COMMISSION."  
TURNER

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMITTEE MEETINGS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976OECDP20408  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** n/a  
**Film Number:** D760269-1190  
**From:** OECD PARIS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t197607102/aaaaggvc.tel  
**Line Count:** 277  
**Locator:** TEXT ON MICROFILM, TEXT ON-LINE  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 6  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 APR 2004 by CunninFX>; APPROVED <13 SEP 2004 by KelleyW0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> gwr 970924  
**Subject:** CIEC: JULY COMMISSIONS -- FIRST DAY  
**TAGS:** EAID, EFIN, EGEN, ENRG, ETRD, CIEC, EGEN, OECD  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006